



## **Summary Report and Findings: Phone Interviews**

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## **Introduction:**

Twelve Service Provider agencies agreed to participate in a phone interview. The purpose of the interviews was primarily as a secondary validity check regarding the accuracy of information collected in an earlier survey and information from utilization data over a five year period. Specifically the interviews focused on:

- Salary costs associated with Direct Support personnel
- Benefit costs
- Training costs and duration of training
- General adequacy of current revenues to cover expenses
- How vacancies are currently managed
- General information regarding referrals
- General information regarding unique cost drivers
- Transportation

As the interviews progressed, additional questions were added to include:

- Overtime costs
- Service billing related concerns

The interviews were structured. A new survey tool was developed for the interviews. This tool was provided to the participants prior to the interviews. A copy of the survey tool is attached to this report. A copy of this report will be shared with each participant.

## **Part 1 Findings-Employment Costs:**

**Entry Salary:** **\$8.85**

The salaries offered for an entry level DSP ranged from \$8.35 to \$9.50 per hour. One agency offered a starting salary of \$10.14 if the DSP applicant had a degree. Several agencies acknowledged that they would offer a slightly higher entry salary if the applicant had previous experience and current certifications.

Rural-based agencies were more likely to report that their salaries and benefits were comparable with competitors. Urban-based agencies were inclined to report that their salaries were competitive but not the benefits. The gap in benefits tended to place them in a competitive disadvantage.

**Staff Tenure:****3.5 years**

Staff tenure is a factor in rate setting for several reasons including:

- Salary scales influence average wages
- An indicator of the overall stability of an organization
- Turnover influences overall service quality
- Turnover influences costs in several ways
  - Ability to engage in billable activities
  - Overtime
  - Recruitment and Training costs

As expected staff tenure was influenced by the service category. Residential services tend to have higher turnover and conversely day supports tend to have less turnover.

Several agencies added to a growing body of anecdotal information regarding staff turnover being higher in community-based services.

Several agencies report a diminution in tenure. For example, one agency reported a drop in tenure from an average of 8 years to a current average of 4 years. The agency reported one of the contributing reasons being their inability to maintain competitive health care benefits.

**Adjusted Salary:****\$10.37**

Adjusted salaries refer to the average DSP salaries factoring in tenure and periodic adjustments. As with the Entry Salaries, a range exists from a low of \$9.25 to \$10.67.

**Salary Adjustments:****2.89%**

All agencies reported some annual process to adjust salaries. One agency reported it has frozen its process due to overall revenue concerns, all others reported ongoing adjustments ranging from 0% to 5%. The majority reported a annual process tied exclusively to longevity, the others reported a process that focused on performance.

**Overtime:**

Overtime presents a challenge in terms of calculating a percentage adjustment to the rate formula. The primary reason this is difficult centers on the span of the range with low being 1% and the high being 19%. Complicating this determination is the fact that several agencies are clustered between 1 and 4% and several others are clustered above 12.5%.

**Benefits:** **43.5%**

This category includes both mandatory benefits (FICA etc) and optional coverage. The range in benefits offered to employees is from 35% to 46%. All participants offer some form of health insurance to employees. Most participants are facing significant increases in their health costs requiring greater employee cost sharing and overall benefit reductions. One participant altered its plan benefit to include a high deductible to reduce costs and reimburses employees for their out of pocket expenses needed to meet the deductible. Another participant reports that it faces a significant problem with its health insurance renewal due to increase costs. Health Insurance and Workers Compensation are the primary cost drivers. Three participants offer retirement planning options in the form of 403 (B) and or 401 (K) plans and provide employer contributions. One participant offers a retirement plan exclusively funded by employees. All participants offer variations of vacation, sick and holiday leave. Two offer tuition reimbursement plans.

**Training:** **100 hours**

Training offered to DSPs by participants ranged from 44 hours to 165 hours. All participants offered core requirement training. Most provided some form of shadowing-buddy system assignments as part of the training plan. Several offered supervisory training and other components to address ongoing quality improvements.

## **Part 2: Findings- Program Design Findings:**

### **Vacancies:**

As expected with negotiated contracts, different vacancy factors are at play both for residential and day services, both support categories reflecting a 10% plus/minus spread. The most commonly used vacancy considerations follow:

*Residential* **335 days**

*Day Support* **210 days**

Two residential providers of service reported concerns regarding an incremental increase the number of program days available for day supports. The concern was the fiscal implications to a reduced scheduled paired with the Division inability to adjust rates to reflect the financial consequences.

**Day Support Models:**

There are three distinct models providing day support services: Center-based, Community-based and a Hybrid (a combination of center and community-based.)

Ratios for center-based and Hybrid services tend to average **1:3**; Community-based tend to average **1:1.5**.

There appears to be varying interpretations as to what constitutes community-based services. Some of the participants described their services as exclusively 1:1 where a consumer is transported from their home to a variety of individualized community activities. Others describe their programs as being 1:2 or 1:3 focused on primarily but not exclusively on community activities.

**Supported Employment:**

Most participants offering this service are running deficits and need to cover these expenses by other means. Commonly cited concerns center on 1) rates are too low, 2) lack of referrals and 3) transportation.

**Room and Board:**

Medicaid restrictions and prohibitions on what are acceptable costs are understood. Overall concerns were expressed regarding the ongoing ability to cover costs, especially maintenance expenses. Some participants noted that a residential setting with less than **4** people, present significant challenges in covering room and board expenses.

**Shared Living:**

There is a mixed acceptance regarding this emerging model of support. Several participant expressed interest in expanding services with this model, other participant expressed concern regarding possible DOL/IRS issues centering on employer/employee relationships. Additional concerns were expressed regarding the low acceptance of this model among parents and guardians accustomed to the more traditional ICF/MR or licensed group setting.

**Medical-Add-On Services:**

While several participants offered services and supports to people with complex medical needs, three have RNs as part of their staff. All three expressed the critical importance of having medically-trained and licensed personnel on staff.

### **Behavioral-Add-On Services:**

Several participants offer services to people who present current and ongoing behavioral challenges. Two participants offered staff .50 cents per hour add-on as an incentive. Staffs are offered training and other similar supports and several participants report higher costs associated with damage to property, higher worker compensation claims and greater turnover. Unlike medicals services, participants do not tend to have clinical personnel on staff to address behavioral problems. Consulting services are used to address these concerns.

### **Premium Pay Based on Education:**

One participant offered added pay to attract and retain DSPs with college degrees. This finding stands in contrast to a recent letter of concern sent to the Division. One possible explanation is the small pool of participants involved in the interviews (12).

## **Part 3-Transportation;**

Transportation is a major concerns expressed by all participants. There are differing options being used by the participants ranging from use of staff personal vehicles, to agency cars and vans. One participant utilizes a combination of agency-provided transportation in addition to accessing services from a local transit provider. The prevalent practice is to embed transportation costs within the rates for other services. This raises key policy questions in terms of transportation as a component of rate setting:

- Should current practices be included
- If current practices are continued, should there be a re-basing of costs
- If transportation is to be a “stand alone” service will be reimbursed by-
  - Mileage zones
  - Vehicle mile
  - Passenger mile
  - Fix rate or negotiated rate

## **Part 4-Other**

Considerable concerns were expressed regarding the current technology glitches, specifically focused on billing and timely and accurate reimbursement. Several concerns were expressed as to whether the technological issues will be resolved adequately to allow for the proposed rate model to be implemented.

## Next Steps:

Date	Activity	Product
March 15-17	<ol style="list-style-type: none"> <li>1. Review information from interviews</li> <li>2. Review claims information</li> <li>3. Review sample budgets for residential and day support services</li> <li>4. Review transportation models and costs</li> <li>5. Review previous survey data</li> </ol>	Develop draft rates
March 20-25	<ol style="list-style-type: none"> <li>1. Distribute draft rates for public review and reactions</li> <li>2. Identify areas of concern</li> </ol>	Feedback
April	<ol style="list-style-type: none"> <li>1. Shadow draft rates with 6 volunteer agencies</li> <li>2. Collect and analyze impact</li> <li>3. Identify possible unintended consequences</li> </ol>	Report on implications of the rate model
May 15	<ol style="list-style-type: none"> <li>1. All analysis completed</li> <li>2. Draft rates review and modified as needed</li> </ol>	Final Rates
May 30	<ol style="list-style-type: none"> <li>1. Identify all policy related issues associated with rate model</li> <li>2. Identify and correct IT-related concerns</li> </ol>	Implementation Plan

**Attachment**





## Part 1: General Information

Agency: \_\_\_\_\_

Person(s) providing the information: \_\_\_\_\_

Please provide the following information for EACH Program:

Program Name: \_\_\_\_\_

Service(s) provided at that Program: \_\_\_\_\_

Consumers enrolled	Typical Day actual attendance	DSP positions assigned to Program	Typical day DSP actually at the Program	Does your agency provide transportation to this Program

Please refer to your entry: **Typical day DSP is actually at the Program**, How many of the positions identified are considered staff supervisors: \_\_\_\_\_

## Part 2: Staff recruitment and retention

What is the average tenure for DSP personnel? \_\_\_\_\_

In a typical MONTH how many people are hired as DSPs? \_\_\_\_\_

How many hours do you provide for new employee orientation? \_\_\_\_\_

Are new staff paid for participating in orientation? \_\_\_\_\_

If yes are they paid a stipend or their regular hourly amount? \_\_\_\_\_

How would you describe the entry wage you offer in comparison to other agencies doing similar work? \_\_\_\_\_

How would you describe the entry wage you offer in comparison to other employers in your geographic area? \_\_\_\_\_

How would you describe the benefits you provide to employees in comparison to other employers in your geographic region? \_\_\_\_\_

Please list all the benefits offered by your agency; please EXCLUDE mandatory benefits such as FICA, FUTA and worker's compensation:

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.

Is your current pay and benefits package sufficient to attract qualified direct care workers? If not, what would it have to be competitive?

- 1.
- 2.
- 3.
- 4.
- 5.

Please list the three highest reasons given explaining why employees resign:

- 1.
- 2.
- 3.

On average, how many days does it take to fill a DSP vacancy? \_\_\_\_\_

Please indicate how staff vacancies are managed, select the most typical option:

- ☐ Overtime is used
- ☐ Staff re-assignment
- ☐ Overtime and staff re-assignment
- ☐ Overtime and staff-re-assignment attempted, assignment left vacant
- ☐ Assignment left vacant

Are DSP paid at a premium hourly rate if their caseloads are people who present significant behavioral challenges \_\_\_\_\_ significant medical challenges \_\_\_\_\_ require total support? \_\_\_\_\_

### Part 3: Program/Program Budget

Specific to this Program does the consumer or family have any influence or control of the financial resources available to the consumer at this Program or Program?

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Specific to this Program, are the revenues adequate to meet expenses? \_\_\_\_\_

If no, what is the financial gap? \_\_\_\_\_

If no, what are the reasons for this financial gap?

- 1.
- 2.
- 3.

If no, how is the gap in revenue being covered?

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Specific to this Program, are the revenues impacted by consumer vacancies?

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If yes, what is the impact? \_\_\_\_\_

If yes, what are the typical reasons for consumer vacancies?

- ☐ Illness
- ☐ Vacation
- ☐ Transportation
- ☐ Consumer/family choice
- ☐ Lack of referrals
- ☐ Other

Specific to this Program, are the revenues impacted by staff vacancies?

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If yes, what is the impact ? \_\_\_\_\_

Specific to this Program, have you experienced any unusual costs within the past twelve months? \_\_\_\_\_

If yes, would you describe this cost as:

\_\_\_\_\_ One time  
\_\_\_\_\_ Ongoing

Specific to this Program, are there plans to move this program to a different location? \_\_\_\_\_

Specific to this Program, are there plans on expanding your service for additional consumers? \_\_\_\_\_

Specific to this Program, are there plans on reducing your services and supporting less consumers? \_\_\_\_\_

Specific to this Program, are you anticipating any increase in your cost associated with any of the following? Please list all that apply and the anticipated increase:

Component	Percent increase
Salaries	
Health Insurance	
Worker's compensation	
Other employee insurances	
Transportation	
Heating and Cooling	
Rent/Mortgages	
Liability Insurance	

#### Part 4: Service Capabilities

Specific to this Program, what percentage would best describe a typical day's consumer attendance as compared to your authorized enrollment? \_\_\_\_\_%

If less than 100%, please select from the following all that apply:

- ☐ Illness
- ☐ Vacation
- ☐ Transportation
- ☐ Consumer/family choice
- ☐ Lack of referrals
- ☐ Other

Specific to this Program, what percentage would best describe a typical day's staff attendance as compared to your authorized FTE for this Program? \_\_\_\_\_%

If less than 100%, please indicate from the following all that apply:

- ☐ Illness
- ☐ Vacation
- ☐ Vacant position

## Part 5: Transportation (only answer if agency provides transportation)

Does your agency provide transportation? \_\_\_\_\_  
 If yes, identify the revenue source \_\_\_\_\_

### Transportation Costs \*Program Specific if possible...otherwise agency-wide

<b>TYPE OF VEHICLE:</b> (Note: do not fill in shaded lines, those will be formula driven)	<b>Van</b>	<b>Adapted Van</b>	<b>Lift Van</b>
Vehicle Capacity			
Total Cost of Vehicle Allocated to Program (expressed as percentage)			
Depreciation (straight line) years			
Van Cost Per Year			
Repairs Per Year			
Driver Salary			
ERE Percentage (Benefits)			
<b>DRIVER COST PER YEAR</b>			
Two Way Communication *			
Cost Per Driver Applied per year			
Miles Per Gallon			
Cost Per Gallon Fuel			
Average Distance of Trip (miles)			
Gallons Per Trip			
Fuel Costs Per Trip			
Trips per year			
Total Fuel per year			
Insurance Per Month *			
Insurance per year			
Miscellaneous (please describe in separate list)			
<b>TOTAL COSTS PER YEAR</b>			
Client Days			
Per Client Day			

If staff used personal vehicles, please include the total reimbursement costs:

\$ \_\_\_\_\_

## Part 6: Supported Employment and program Programs “without walls”

Number of People in the Program:	
<b><u>General Cost Categories</u></b>	Annual Costs
Rent or Fair Market Value of Rent on Any Facility Used in Program	
Utilities (if any)	
Insurance- related to program	
Food/Dietary (if any)	
Food Preparation and Related Staff	
Transportation Costs , if not included in Part 5	
Coaching Staff Associated Directly with Service Recipients	
Other Support Staff (please list, include partial time and support tasks)	
1)	
2)	
3)	
Staff Transportation Related (without service recipients)	
Training Supplies for Recipients	
Presentation Supplies, copying, printing	
Job/Program Related Supplies,	
Tuition reimbursement (if any)	
Advertising	
Miscellaneous (please describe)	

## Part 7: Wrap up questions

Please enter the start date for your fiscal year \_\_\_\_\_

For each program you offer, how to you currently measure a “unit”?

Minutes \_\_\_\_\_

Hours \_\_\_\_\_

Day \_\_\_\_\_

Week \_\_\_\_\_

Month \_\_\_\_\_

For your agency as a whole, what is the percentage of wages and salaries that are devoted to Direct Support? \_\_\_\_\_

For your agency as a whole, what is the percentage of wages and salaries devoted to benefits? \_\_\_\_\_